

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: January 17, 2012

ANALYST: Brian Jones

- I. COMMITTEE: Kelly Lawler, Treasurer
C00465914
Freedom and Prosperity PAC
P.O. Box 984
Willows, CA 95988-0984
- II. RELEVANT STATUTES: 2 U.S.C. § 434(b)(2) and (4)
11 CFR § 104.3(a) and (b)
- III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

Freedom and Prosperity PAC ("the Committee") amended its 2010 October Quarterly, 2010 12 Day Pre-General, and 2010 30 Day Post-General Reports to disclose additional receipts of \$68,628.54 and additional disbursements of \$116,002.94, which were not disclosed in the original reports (Attachment 2).

2010 October Quarterly Report

On October 15, 2010, the Committee filed the original 2010 October Quarterly Report covering the period from July 1, 2010 through September 30, 2010. The report disclosed \$276,981.03 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) and \$880,899.14 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals) of the Detailed Summary Page (Image 10991390004). The report also disclosed \$444,201.98 in disbursements on Line 17 (Operating Expenditures) and \$0.00 in disbursements on Line 21 (Other Disbursements) of the Detailed Summary Page (Image 10991390005).

On June 28, 2011, the Committee filed an Amended 2010 October Quarterly Report. The report disclosed \$282,596.03 in receipts on Line 11(a)(i) and \$910,597.14 in receipts on

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Line 11(a)(ii) of the Detailed Summary Page, a total increase in receipts of \$35,313.00 from the original report (Image 11931742751, Attachment 3). The report also disclosed \$451,166.02 in disbursements on Line 17 and \$275.00 in disbursements on Line 21 of the Detailed Summary Page, a total increase in disbursements of \$7,241.04 from the original report (Image 11931742752, Attachment 4).

2010 12 Day Pre-General Report

On October 21, 2010, the Committee filed the original 2010 12 Day Pre-General Report covering the period from October 1, 2010 through October 13, 2010. The report disclosed \$47,690.02 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) and \$179,620.42 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals) of the Detailed Summary Page (Image 10931753845). The report also disclosed \$791,078.87 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 10931753846).

On June 28, 2011, the Committee filed an Amended 2010 12 Day Pre-General Report to disclose \$53,954.02 in receipts on Line 11(a)(i) and \$190,200.42 in receipts on Line 11(a)(ii) of the Detailed Summary Page, a total increase in receipts of \$16,844.00 from the original report (Image 11931743164, Attachment 3). The report also disclosed \$897,127.48 in disbursements on Line 17 of the Detailed Summary Page, an increase in disbursements of \$106,048.61 from the original report (Image 11931743165, Attachment 4).

2010 30 Day Post-General Report

On December 2, 2010, the Committee filed the original 2010 30 Day Post-General Report covering the period from October 14, 2010 through November 22, 2010. The report disclosed \$106,442.00 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals), \$189,012.64 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals), and \$500.00 in receipts on Line 11(c) (Contributions from Other Political Committees) of the Detailed Summary Page (Image 10932005927). The report also disclosed \$282,449.52 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 10932005929).

On June 28, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The amendment disclosed \$111,395.00 in receipts on Line 11(a)(i), \$197,531.18 in receipts on Line 11(a)(ii), and \$3,500.00 in receipts on Line 11(c) of the Detailed Summary Page, a total increase in receipts of \$16,471.54 from the original report (Image 11931743267, Attachment 3). The report also disclosed \$265,162.81 in disbursements on Line 17 of the Detailed Summary Page, an increase in disbursements of \$2,713.29 from the original report (Image 11931743269, Attachment 4).

On October 13, 2011, a Request for Additional Information (RAI) was sent to the Committee. The RAI asked for clarification regarding the substantial increases in receipts and disbursements on the Amended 2010 October Quarterly, Amended 2010 12 Day Pre-

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General, and Amended 2010 30 Day Post-General Reports, that were not disclosed in the original filings (Image 11330014717).

On November 19, 2011, the Committee filed a Miscellaneous Electronic Document ("Form 99") in response to the RFAI. The Committee stated, in full:

"In response to your letter dated October 13th, we had additional receipts and disbursement because of problems and challenges with downloads from our fundraising vendor. In response to this we have initiated a new system of processing information from that vendor for our data and how we manage the data internally. This was an oversight and the processes which caused this to occur have been revised" (Image 11972223260).

On November 21, 2011, the Reports Analyst Division (RAD) Analyst spoke to Kelly Lawler, treasurer for the Committee. The Analyst informed Ms. Lawler that the Committee may be referred for further action by the Commission and that they could provide any additional information regarding the increased activity by filing a Form 99 (Attachment 5).

On November 29, 2011, the Committee filed an additional Form 99. The Committee stated, in part:

"To clarify further, the omitted entries were initially discovered by the committee while reconciling imports from our fundraising vendor. We have evaluated our internal procedures to prevent this in the future. The Committee voluntarily has taken steps to correct the public record by filing amended reports, reviewed its own internal recordkeeping and reporting processes. Additionally, the Committee conducted a full review of its imports of data. Please feel free to contact us if you require any additional information" (Image 11953024736).

To date, no further communication has been received from the Committee regarding this matter.

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O-Index

1/20/2012 3:29 PM

O-Index (2011-2012)														
Comte. ID: C00405914 Comte. Name: FREEDOM AND PROSPERITY PAC														
Treasurer Name: LAWLER KELLY Address: PO BOX 984 WILLOWS, CA 95068-0984														
Comte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER														
Form To	Rpt To	Alt	Receipt Dt	Pgs	Comte. Type	H (NON-PARTY NON-QUALIFIED)	Begin Img#	End Cvg Dt	Begin Cvg Dt	End Cvg Dt	Begin Cash	Receipts	Disb	End Cash
MS-T			2/3/2011	1			11980199759		1/1/2011	6/30/2011	\$128,536	\$50,016	\$160,351	\$16,198
MS-T			1/1/2011	1			11972232360							
MS-T			1/1/2011	1			11953024738							
FSN	NY	N	7/31/2011	54			11931325863							\$0
FIA		A	2/3/2011	4			11930329268							\$0
Totals											\$50,016	\$160,351		

O-Index (2009-2010)														
Comte. ID: C00465914 Comte. Name: FREEDOM AND PROSPERITY PAC														
Treasurer Name: LAWLER KELLY Address: PO BOX 984 WILLOWS, CA 95068-0984														
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Form To	Rpt To	Alt	Receipt Dt	Pgs	Comte. Type	H (NON-PARTY NON-QUALIFIED)	Begin Img#	End Cvg Dt	Begin Cvg Dt	End Cvg Dt	Begin Cash	Receipts	Disb	End Cash
R02	12P	A	7/20/2010	3			10030380548	4/1/2010	5/19/2010	7/20/2010				
R02	30G	N	8/29/2011	3			11330008573	10/14/2010	11/22/2010	4/29/2011				
R02	12P	A	10/13/2011	3			11330014717	10/14/2010	11/22/2010	10/13/2011				
R02	YE	N	4/29/2011	4			11330008578	11/23/2010	12/31/2010	4/29/2011				
FSN	O3	N	10/15/2009	15			2983488171	1/1/2009	9/30/2009		\$0	\$20,748	\$5,282	\$15,466
FSN	YE	N	1/29/2010	36			10980189828	10/1/2009	12/31/2009		\$15,486	\$35,183	\$37,389	\$11,250
FSN	O1	N	4/15/2010	115			10930603548	1/1/2010	3/31/2010		\$11,250	\$373,860	\$169,430	\$215,680
FSN	12P	N	5/27/2010	72			10980720828	4/1/2010	5/19/2010		\$215,680	\$199,390	\$288,886	\$63,171
FSN	12P	A	7/14/2010	76			10980858038	4/1/2010	5/19/2010		\$215,680	\$138,387	\$289,158	\$82,908
FSN	12P	A	7/23/2010	78			10931186368	4/1/2010	5/19/2010		\$215,680	\$138,387	\$289,158	\$82,908
FSN	O2	N	7/15/2010	53			10931004465	5/20/2010	6/30/2010		\$82,908	\$90,345	\$95,557	\$57,688
FSN	O2	A	10/27/2010	54			10981249477	5/20/2010	6/30/2010		\$82,908	\$90,345	\$95,557	\$57,688
FSN	O3	N	10/15/2010	399			10991380001	7/1/2010	8/30/2010		\$57,688	\$1,162,880	\$444,386	\$776,191
FSN	O3	A	10/27/2010	433			10931752342	5/20/2010	6/30/2010		\$57,688	\$1,162,880	\$444,386	\$776,191
FSN	12G	N	10/21/2010	84			10931752342	10/1/2010	10/13/2010		\$776,191	\$230,784	\$792,078	\$214,877
FSN	12G	A	10/27/2010	109			10931752342	10/1/2010	10/13/2010		\$776,191	\$230,784	\$792,078	\$214,877
FSN	30G	N	12/2/2010	188			10932005924	10/14/2010	11/22/2010		\$153,144	\$295,854	\$264,059	\$185,029
FSN	30G	A	6/28/2011	211			10931752342	10/14/2010	11/22/2010		\$153,144	\$295,854	\$264,059	\$185,029
FSN	YE	N	1/31/2011	29			10930321078	11/23/2010	12/31/2010		\$200,824	\$25,288	\$98,090	\$128,022
FSN	YE	A	7/12/2011	38			10931752342	11/23/2010	12/31/2010		\$200,824	\$25,288	\$98,090	\$128,022
F1		N	8/28/2009	5			29030151939				\$189,338	\$25,288	\$98,090	\$128,536
F6			5/22/2010	2			10980720828							
F6			5/25/2010	2			10930777767							
F6			8/4/2010	2			10980720828							
F6			10/18/2010	2			10931567622							
F6			10/20/2010	2			10931567622							
F6			10/23/2010	2			10981781109							
F6			10/30/2010	2			10931752342							
F6			10/28/2010	2			10931752342							
Totals											\$243,603	\$231,477		

O-index

1/20/2012 3:29 PM

Form	Trl	Rpt	To	Aut	Receipt Dt	Pays	Begin	Month	Begin	End	Cvg	Dt	Unl	End	Cash	Repts	Begin	Cash	Dt	Debits	Loans	Debits & Loans
<p>Q-Index (2007-2008)</p> <p>Conf: ID: C00465974 Conf: Name: FREEDOM AND PROSPERITY PAC</p> <p>Treasurer Name: LAWLER, KELLY Address: PO BOX 984, WILLOMS, CA 95988-0984</p> <p>Conf: Type: H (NON-PARTY NON-QUALIFIED) Conf: Designation: D (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER</p>																						

No records were found for this cycle.

Attachment 1

Freedom and Prosperity PAC (C00465914)

Overview of Additional Receipts:

Report Name	Total Additional Receipts	Line Number(s)
2010 October Quarterly Report / Amended 2010 October Quarterly Report, received 6/28/11	\$35,313.00	11(a)(i), 11(a)(ii)
2010 12 Day Pre-General Report / Amended 2010 12 Day Pre-General Report, received 6/28/11	\$16,844.00	11(a)(i), 11(a)(ii)
2010 30 Day Post-General Report / Amended 2010 30 Day Post-General Report, received 6/28/11	\$16,471.54	11(a)(i), 11(a)(ii), 11(c)
Total Additional Receipts	\$68,628.54	

Overview of Additional Disbursements:

Report Name	Total Additional Disbursements	Line Number(s)
2010 October Quarterly Report / Amended 2010 October Quarterly Report, received 6/28/11	\$7,241.04	17, 21
2010 12 Day Pre-General Report / Amended 2010 12 Day Pre-General Report, received 6/28/11	\$106,048.61	17
2010 30 Day Post-General Report / Amended 2010 30 Day Post-General Report, received 6/28/11	\$2,713.29	17
Total Additional Disbursements	\$116,002.94	

Total Increase in Activity on Amended Reports: \$184,631.48

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Freedom and Prosperity PAC (C00465914)**Additional Receipts by Line Number****2010 October Quarterly Report/Amended 2010 October Quarterly Report, received 6/28/11**

Report Line	2010 October Quarterly Report (Image 10991390094)	Amended 2010 October Quarterly Report received 6/28/11 (Image 11931742751)	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$276,981.03	\$282,596.03	\$5,615.00
Line 11(a)(ii): Unitemized Contributions from Individuals	\$880,899.14	\$910,597.14	\$29,698.00
		Total Variance:	\$35,313.00

2010 12 Day Pre-General Report/Amended 2010 12 Day Pre-General Report, received 6/28/11

Report Line	2010 12 Day Pre- General Report (Image 1091113655)	Amended 2010 12 Day Pre-General Report received 6/28/11 (Image 1191171111)	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$47,690.02	\$53,954.02	\$6,264.00
Line 11(a)(ii): Unitemized Contributions from Individuals	\$179,620.42	\$190,200.42	\$10,580.00
		Total Variance:	\$16,844.00

2010 30 Day Post-General Report/Amended 2010 30 Day Post-General Report, received 6/28/11

Report Line	2010 30 Day Post- General Report (Image 10932005927)	Amended 2010 30 Day Post-General Report received 6/28/11 (Image 11931743267)	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$106,442.00	\$111,395.00	\$4,953.00
Line 11(a)(ii): Unitemized Contributions from Individuals	\$189,012.64	\$197,531.18	\$8,518.54
Line 11(c): Contributions from Other Political Committees	\$500.00	\$3,500.00	\$3,000.00
		Total Variance:	\$16,471.54

Freedom and Prosperity PAC (C00465914)

Additional Disbursements by Line Number

2010 October Quarterly Report/Amended 2010 October Quarterly Report, received 6/28/11

Report Line	2010 October Quarterly Report (Image 10991390005)	Amended 2010 October Quarterly Report received 6/28/11 (Image 11931742752)	Variance Amount
Line 17: Operating Expenditures	\$444,201.98	\$451,168.02	\$6,966.04
Line 21: Other Disbursements	\$0.00	\$275.00	\$275.00
		Total Variance:	\$7,241.04

2010 12 Day Pre-General Report/Amended 2010 12 Day Pre-General Report, received 6/28/11

Report Line	2010 12 Day Pre- General Report (Image 10937753846)	Amended 2010 12 Day Pre-General Report received 6/28/11 (Image 11931743162)	Variance Amount
Line 17: Operating Expenditures	\$791,078.87	\$897,127.48	\$106,048.61
		Total Variance:	\$106,048.61

2010 30 Day Post-General Report/Amended 2010 30 Day Post-General Report, received 6/28/11

Report Line	2010 30 Day Post- General Report (Image 10932005929)	Amended 2010 30 Day Post-General Report received 6/28/11 (Image 11931743269)	Variance Amount
Line 17: Operating Expenditures	\$262,449.52	\$265,162.81	\$2,713.29
		Total Variance:	\$2,713.29

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